

United States Senate

WASHINGTON, DC 20510

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May 22, 1998

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

The Honorable William Kennard
Chairman
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

Response to: FCC Report 98-85

Dear Mr. Chairman,

We are writing again to reaffirm our support for *all* of Universal Service, including the Snowe-Rockefeller-Exon-Kerrey (SREK) amendment to the Telecommunications Act of 1996. This provision, which is also known of as the "E-Rate", will provide schools, libraries and rural health care providers with discounts on advanced telecommunications services to ensure affordable access. Specifically, the E-Rate will leverage local investments in education technology by offering discounts ranging from 20% to 90% for telecommunications service, the internal connections necessary to deliver telecommunications into classrooms, and Internet access.

As you know, we worked with Senator Stevens and others on an amendment to the Supplemental Appropriations Act which addressed concerns that had been raised by the current structure of the E-Rate program. We believe it is important that the administrative structures charged with the implementation of the SREK amendment be streamlined and efficient. We support the initiative to increase accountability by requiring annual audits and reports to the Congress. In addition, we believe it is essential that the Commission retain authority over the new structure that will be created to administer the E-Rate.

It is critical that the program be effective and efficient because the E-Rate has generated overwhelming interest in the education and library community with more than 30,000 institutions completing applications during the first filing window. Each of these applications represents a school or library that has completed a detailed application, made a commitment to use their own financial resources to supplement the E-Rate discount, and agreed to provide funding for necessary, related expenses including computers, software and teacher training.

Besides the interest and support of the education and library community, it should also be noted that the SREK discounts have enjoyed strong bipartisan support throughout the legislative

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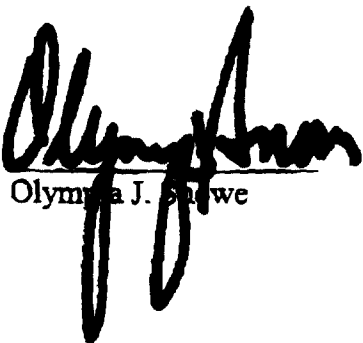
The Honorable William Kennard
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page 2

and regulatory process. This includes support from the National Association of Governors as evidenced by the attached letter. Therefore, it is critical that this program be implemented in a responsible and effective manner.

In addition, we believe that the Commission has an obligation to protect the public interest. Therefore, we urge that the Commission be vigilant during the implementation process to ensure that consumers are the beneficiaries of the Telecommunications Act and that phone rates continue to decrease. It is also essential that the Commission move forward aggressively to enforce "truth-in-billing" to ensure consumers get a full and accurate description of both the benefits and the costs of Federal actions on telecommunications policy.

We look forward to working with you on the continuing implementation of the Telecommunications Act to ensure it achieves its goal of promoting competition while consumers benefit from increased choices and lower prices while maintaining our fundamental commitment to universal service.

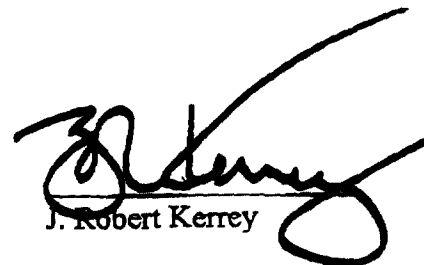
Sincerely,



Olympia J. Snowe



John D. Rockefeller IV



J. Robert Kerrey

cc: Commissioner Harold Furchtgott-Roth
Commissioner Susan Ness
Commissioner Michael Powell
Commissioner Gloria Tristani

**NATIONAL
GOVERNORS
ASSOCIATION**

George V. Voinovich
Governor of Ohio
Chairman

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February 23, 1998

The Honorable Trent Lott
Majority Leader
United States Senate
The Capitol, Room S-230
Washington, D.C. 20510

The Honorable Thomas A. Daschle
Democratic Leader
United States Senate
The Capitol, Room S-221
Washington, D.C. 20510

The Honorable Newt Gingrich
Speaker
U.S. House of Representatives
The Capitol, Room H-232
Washington, D.C. 20515

The Honorable Richard A. Gephardt
Democratic Leader
U.S. House of Representatives
The Capitol, Room H-204
Washington, D.C. 20515

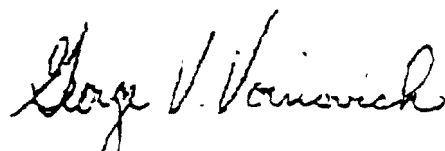
Dear Senator Lott, Senator Daschle, Speaker Gingrich, and Rep. Gephardt:

On behalf of the National Governors' Association, we commend the House and Senate leadership and members of Congress in establishing the E-Rate program as part of the Telecommunications Act of 1996. Over the next several years, it can have far ranging impact for all students as we build the technology base in every school and library. We are pleased to report to you that we have been working with schools, school systems and libraries to take advantage of the E-Rate program. They are informed and enthusiastic and applying for the funds in substantial numbers.

We recognize that in any program of this magnitude there are likely to be changes and corrections that should occur through the congressional oversight process. We, however, want to urge you to maintain the integrity of the program as contained in the original Act, including providing adequate funding for the first year of the program and thereafter.

Over the next few years, the continuation of this fund should assure what all of us want: all of our student with access to technology in every school and library that will allow them to be successful as they proceed to college and careers.

Over the next few months, we want to continue to coordinate with you and to provide our support to you as you review this program with the Federal Communications Commission and the Senate and House Commerce Committees. Together, we can assure that it moves forward as originally envisioned and funded. We look forward to working with you on this.



Governor George V. Voinovich

Sincerely,



Governor Thomas R. Carper